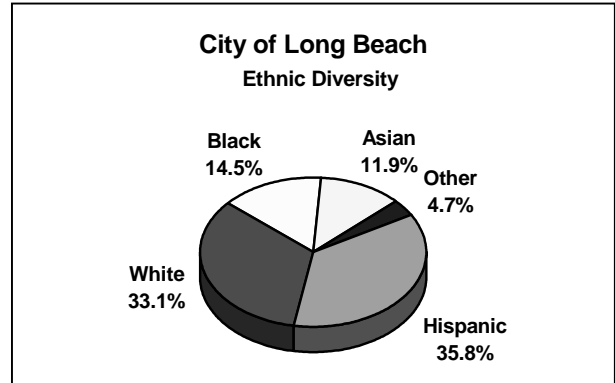


# City of Long Beach Demographics

## GOVERNMENT

The City of Long Beach, California covers approximately 52 square miles on the southern coast of Los Angeles County. With a current population of 491,564, Long Beach is the second largest city in Los Angeles County and the fifth largest city in the state. It is a diverse and dynamic city that, based on the 2000 Census, has the following ethnic breakdown: 35.8% Hispanic, 33.1% White, 14.5% Black, 11.9% Asian, and 4.7% all other ethnicities.



Long Beach was originally incorporated in 1888. After a short period of disincorporation, the City was reincorporated on December 3, 1897. Since 1921, Long Beach has been governed as a charter city, and operates under a Council-Manager form of government.

The City Council is made up of nine members, elected by district. The Mayor is chosen in a citywide election to serve as the full-time chief legislative officer of the City. Although the Mayor does not vote, the Mayor presides over City Council meetings, presents the annual budget to the City Council and has veto power over Council actions. The Vice-Mayor is elected by the Council from among its members.

The City has three other full-time elected officials: City Attorney, City Auditor and City Prosecutor. The City Council appoints the City Clerk and City Manager. The Mayor nominates and the City Council approves members to various boards and commissions. The Civil Service Commission, Board of Water Commissioners and Board of Harbor Commissioners oversee operations of their respective departments while all other City departments report directly to the City Manager.

The City Manager serves at the discretion of the City Council. As head of the municipal government, the City Manager is responsible for the efficient administration of all departments, with the exception of the elective offices and the three semi-autonomous commissions. The City currently employs approximately 5,626 full-time equivalent positions within 22 departments.

In addition to the usual municipal services of police, fire, parks and recreation, public works, and library, the City of Long Beach owns and operates a leading deep-water port, offshore and onshore oil production, a gas utility, a water utility, a convention and entertainment center, aquarium, museum, two historic ranchos, a commercial airport, marinas and golf courses.

## EDUCATION

The Long Beach Unified School District is the third largest public school system in California serving 93,408 kindergarten through twelfth grade students in 2004. The district's 95 schools are located in Long Beach, Signal Hill, Lakewood and on Catalina Island. Additionally, Long Beach also offers a City College, educating over 30,000 students. The college offers 95 Associate of Arts/Science degree programs, 81 Career Certificate programs and the opportunity to complete up to two years in any of 58 baccalaureate programs for transfer to a four-year college or university (LBCC 2004).

California State University, Long Beach (CSULB) is the State University system's second largest campus. With approximately 33,479 students enrolled in the 2004-2005 school year, CSULB offers 80 baccalaureate programs, 66 master degree programs and one joint doctoral degree.

## BUSINESS AND INDUSTRY

The City of Long Beach is a center for aerospace, petroleum, shipping and tourism, along with a wide variety of office and retail opportunities. Downtown alone is home to 4.2 million square feet of commercial office space.

Currently, the largest employer within the City is the Boeing Corporation, which operates a 424-acre facility at the Long Beach Airport and employs approximately 10,400 persons. The facility exceeds 6.7 million square feet of space and is currently utilized for the production of the Boeing 717 commercial jetliner, the C-17 military transport plane and program support for production lines in other locations. In what will be one of the region's largest land redevelopment efforts, Boeing is in the process of converting 260 acres of their facility from industrial to mixed commercial/residential use in an effort to provide quality industrial, research and development space.



*Downtown Long Beach overlooking the Port.*

The City's second largest employer within the city is the Long Beach Unified School District, which operates 91 regular and four charter schools. The district's workforce of over 8,000 employees ensures the success of students by maintaining high standards, a commitment to excellence, and by offering a comprehensive scholastic program. Exhibit 1 provides a breakdown of the top 10 employers in Long Beach as of 2005.

Oil production, private and municipally-owned, continues to be an important business in Long Beach with both offshore and onshore facilities. The Long Beach Unit Optimized Water-Flood Injection Process, authorized by State legislation, has improved oil recovery and lengthened field life in the Wilmington Oil Field. Continued application of new technology is expected to further increase oil recovery.

Exhibit 1: Top 10 Employers in Long Beach

Rank	Employer	Employees As of May 2004
1	Boeing	10,400
2	Long Beach Unified School District	8,355
3	CSULB (includes part-time)	6,000
4	City of Long Beach (includes part-time)	5,626
5	L.B. Memorial Medical Center	5,030
6	Veterans Administration Medical Center	2,345
7	United States Postal Service	1,900
8	Long Beach City College	1,810
9	St. Mary's Medical Center	1,765
10	Verizon	1,025

*\* Numbers based on May 2005 Economic Development Department Survey*

The Port of Long Beach remains one of the busiest container ports in the world. During Fiscal Year 2004, throughput increased by almost 20 percent, exceeding 5.7 million twenty-foot equivalent units (TEU). International trading partners include the Pacific Rim nations of Japan, China, Taiwan, and Korea. In addition to containers, the Harbor facility handles crude and refined petroleum products, dry bulk such as coal, coke and cement; automobiles, lumber, paper and fruit; steel and scrap metal.

As California's largest urban Enterprise Zone, Long Beach offers businesses five categories of State tax incentives aimed at stimulating new private investment, business expansion and job creation. These incentives include: sales tax credits; hiring tax credits; business expense deductions; net operating loss carryover and a net interest deduction for lenders. Over 10,000 businesses of varying sizes operate in the Enterprise Zone. The Enterprise Zone designation is in place until 2007.

Tourism continues to be a growing industry in Long Beach, and the city attracts over 5.5 million visitors a year. A vital part of that industry is the Long Beach Convention and Entertainment Center. The Center's facilities include a 224,000 square-foot exhibit hall, 83,000 square feet of meeting room space, a ballroom able to comfortably seat 1,600, a 13,600-seat arena and two theaters in the elegant Long Beach Performing Arts Center. Additionally, over 2,500 hotel rooms are within walking distance of the Convention Center.



*Long Beach Aquarium of the Pacific at night.*

The world-class Long Beach Aquarium of the Pacific, on Rainbow Harbor, is located across the water from the Convention Center, Shoreline Village and the historic Queen Mary. The Aquarium is home to 12,500 marine animals from over 1,000 species indigenous to the Pacific Rim. It is a milestone in design, architecture and technology for the 21<sup>st</sup> century.

## MAJOR DEVELOPMENTS

Douglas Park, a model of mixed-use development, is expected to break ground in late 2005. In December 2004, the City Council granted project approvals for the redevelopment of approximately 261 acres of former and existing Boeing C-1 aircraft production facilities at the southwest corner of Carson Street and Lakewood Boulevard. Of the 261 acres, 238 acres are within the City of Long Beach, with the remaining 23 acres being in the City of Lakewood.



*Renderings of Long Beach Douglas Park.*

The planned mixed-use community in East Long Beach will include up to 3.3 million square feet of commercial and office space, up to 200,000 square feet of retail space, a maximum 1,400 residential units, up to 400 hotel rooms and over 11 acres of public parks.

The Long Beach Sports Park and Youth Golf Facility is an exciting project that is currently in the development stages. The proposed 56-acre park site will be bordered by Willow, California, Orange and Spring Streets. In 1992, the voters of the County of Los Angeles approved a bond issue that contained \$6.2 million for the development of a sports park in Long Beach. In 1997, the City selected the current location as the potential site for development, which would include the following recreational amenities: six softball/baseball diamonds, four soccer fields, a skate park, batting cages, two playgrounds, volleyball courts and a youth golf training facility. The development of this site will not only provide much-needed recreational opportunities, but it will also clean up an underutilized former industrial site.

Davenport Park is another important part of the ongoing effort to provide increased open space and recreation facilities to areas of the City that are most underserved. The City of Long Beach

is developing a 5.5-acre neighborhood park located on the east side of Paramount Boulevard, between Candlewood Street and South Street. In 2001, the Redevelopment Agency acquired the abandoned site, which will be transferred to the City upon completion of the park development. Ground breaking is scheduled to begin in the next few months. When completed, the park will include a multi-purpose sports field, play area and parking.



*Renderings of proposed Long Beach parks.*

New mini-parks in North Long Beach are also adding increased recreational space for our city's youth. The construction of the beautiful new mini-park at the corner of Market Street and Dairy Avenue, named Burton W. Chace Park, was completed in May 2005. The park includes picnic tables, an open play area, sand box, a children's play structure as well as a water play feature. Ground breaking for a mini-park at the corner of Plymouth Street and Elm Avenue is scheduled for the early fall 2005. The park design will include an open turf area and play area, a children's play structure, sand box, picnic tables with barbeque grills, a walking path along the perimeter of the park and a community garden. Moreover, trees, security lighting and buffer planting are included in the design to mitigate the park's effect on existing residential properties.

The North Village Center Revitalization Project is another exciting project seeking to strengthen the economic vitality of Long Beach neighborhoods. In the North Long Beach Redevelopment Project Area, two commercial corridors along Atlantic Avenue and Long Beach Boulevard have been identified for potential new development. Redevelopment Agency staff continues to work collaboratively with the community and with staff from the City's Economic Development Bureau at assisting small businesses with start-up grants, business counseling and business loans in these important project areas.

In the downtown, the West Gateway area redevelopment is now underway. Embodying principals of "Smart Growth," the City of Long Beach is pursuing a unique public/private economic development partnership to develop a new transit-oriented urban neighborhood on all or portions of 8 square blocks situated at the entry to the City's downtown core. This master planned effort includes a new public elementary school (now completed) and the development of approximately 800 ownership and rental housing units, incorporating resident-serving retail within an enhanced urban community. West Gateway is a critical element in the revitalization of greater downtown Long Beach.

The Promenade is another downtown development expected to revitalize the area with an exciting array of uses. The Redevelopment Agency is developing an urban, pedestrian-oriented, mixed-use development along The Promenade between 1st and 3rd Streets. Also on The Promenade are the newly refurbished Insurance Exchange Building Lofts and the Embassy Suites on The Promenade.



*Renderings of Promenade Development between 1<sup>st</sup> and 3<sup>rd</sup> Streets in Downtown Long Beach.*

# The Budget Process

The Fiscal Year 2006 (FY 06) Budget covers the period October 1, 2005 through September 30, 2006. The following is a description of the City's multi-dimensional Budget Process, which is designed to promote transparent communication with community stakeholders and provide multiple opportunities for direct community input.

## THE BUDGET PROCESS

The Budget is the most important policy document the City produces on an annual basis. The program and financial decisions it embodies must reflect the will of the community through the policy direction of the City Council. This can only be achieved through a development process that encourages communication and transparency, seeking input from a diverse cross-section of the community, while offering opportunities for review and revision. The following is the general budget preparation process, which utilizes the City's Financial Strategic Plan (Plan) as a guide for budget development.

Beginning in January, the City Council's Budget Oversight Committee (BOC) initiates monthly meetings. In February, the City Manager, through Financial Management, provides clear budget development instructions to departments, requesting they begin updating their department's Plan strategies and making initial estimates for their proposed capital and operating budgets.

From March through June, departments complete their proposed budgets including updated revenue and expenditure recommendations contained in the Plan. In July, the City Manager assembles department proposals into a coherent Proposed Budget that reflects the economic environment, fiscal condition and priority needs of the City.

A series of community events designed to encourage active public dialogue regarding the Budget is initiated in mid-March, culminating in the Budget's adoption by the City Council in September. Activities include BOC meetings, a citywide Budget Summit, neighborhood, board, committee and commission meetings, and City Council budget workshops and hearings.

As mandated by the City Charter, the City Manager submits the Proposed Budget on or before August 1 to the Mayor for review. The Mayor reviews the Proposed Budget and submits it, along with any recommendations, to the City Council on or before August 15. Subsequently, the BOC submits their recommendations to the City Council for consideration. By City Charter, the annual City Budget for City funds and departments must be adopted prior to October 1, the beginning of the new fiscal year.

### FY 06 BUDGET PREPARATION CALENDAR

Jan	Budget Oversight Committee meetings initiated
Feb	City Manager issues budget preparation policies and instructions to departments
Mar - Jun	Departments complete their Plan updates, operating and capital budget proposals City Council budget workshops initiated
Jul	City Manager previews Proposed Budget at citywide Budget Summit
Aug 1*	City Manager submits Proposed Budget and CIP budget to Mayor
Aug 15*	Mayor submits Proposed Budget with recommendations to City Council and community
Aug 24	Weekly Budget workshops and Hearings commence. BOC submits recommendations to the City Council
Aug	Community input continues through staff budget presentations at neighborhood board, committee and commission meetings
Sept	Weekly budget workshops and hearings continue at City Council meetings until Budget is adopted
Sept 30*	Budget adopted

\*On or before

# **The Budget Document**

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The Budget document is divided into seven sections: Understanding the Budget, Focus On Results (FOR) Long Beach, Financial Strategic Plan, Budget Summaries, Program Budgets by Department, Fund Summaries and the Capital Improvement Program.

## **Understanding The Budget**

This section provides demographic and other information on the City's government, educational sector, economy and other information to provide a context for the City's service environment and priorities. The budget process, the budget document and the fundamentals of the City's financial management are also discussed. Lastly, background information about the City's main revenue sources is provided.

## **Focus On Results (FOR) Long Beach**

This section describes the City's performance management efforts designed to align the City's major business processes around City Council and community priorities, maximize the efficiency and effectiveness of government services and programs, assess service delivery performance and provide a framework for identifying needed resource reallocation.

## **Financial Strategic Plan**

The City's Financial Strategic Plan (Plan) was designed to be a living document that must be updated annually to capture and reflect the City's changing fiscal and service delivery environment, and to ensure that the cost/service reductions and revenue enhancing ideas are appropriate and reflect the will of the community. The Plan represents the culmination of months of deficit reduction proposals, discussions and deliberation amongst the City Council, the community, employees throughout the organization and City Manager-department directors, and provides additional recommendations to address changes in structural deficit assumptions.

## **Budget Summaries**

Several summaries of department and fund budgets are provided, with multi-year comparisons of expenditures and revenue. Also included is a three-year schedule of Full-Time Equivalent staffing for each department.

## **Program Budgets by Department**

The FY 06 Performance-based Program Budget reflects the first year implementation of the City's FOR Long Beach performance management system. This Performance-based Program Budget is more useful in effectively demonstrating and communicating the actual services and tangible outputs and outcomes delivered to the community, and will serve as the basis for reporting and evaluating the results the community will receive for the budget each department has been allocated. As part of the FOR Long Beach strategic business planning process, all City Manager-directed departments have developed a program structure and basic output, or workload, program performance measures for FY 06. Only two departments, Community Development and Parks, Recreation and Marine, have had the opportunity to develop additional outcome, demand and efficiency measures which will define every City program, and will be reflected for all departments in the FY 07 Proposed Budget. The program structure and performance measures serve as the basis for the City's Performance-based Program Budget and add clarity to the City's budget by aligning background information (a purpose statement and listing of services), budget allocations and basic performance information, all at the program level.

## Understanding the New Performance-based Program Budget Layout

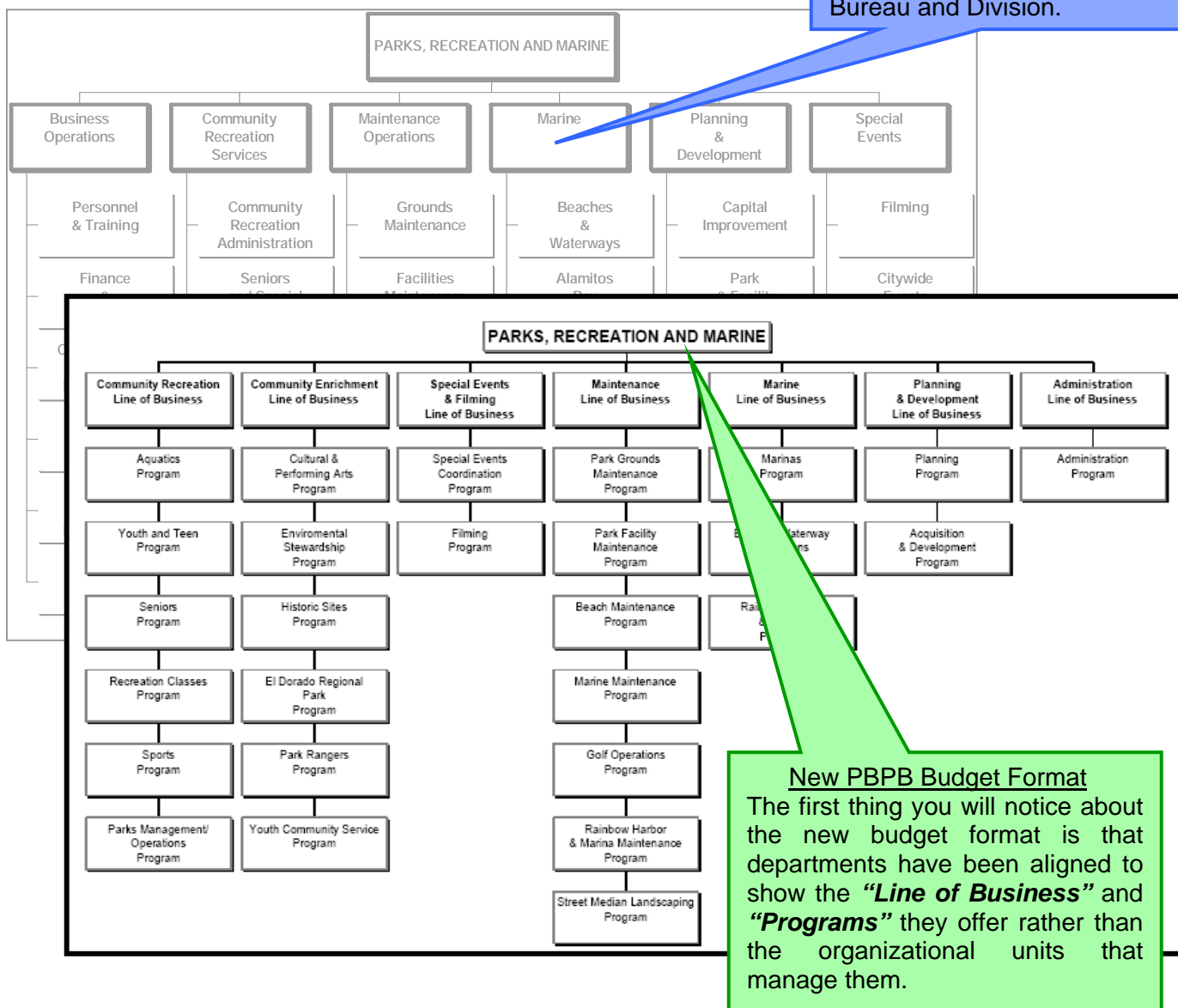
The new Performance-based Program Budget (PBPB) book presents department budget information in two formats: (1) For non-City Manager departments, you will find the traditional layout including organizational charts, department goals and budget summaries, and (2) For City Manager departments who have begun the strategic planning process, where department information will appear in a new format that reflects FOR Long Beach improvements. In each chapter, information on the departments' program structure, mission, significant challenges and opportunities, and proposed structural deficit solutions, will accompany program-specific financial and staffing information.

### A New Way of Organizing Department Functions

*"In an organization focused on results, the City of Long Beach is now aligned around the programs we provide to the community rather than around the structures that manage them."*

*Mike Killebrew, Director of Financial Management*

**Traditional Budget Format**  
Each department chapter began with an organizational chart describing the department by Bureau and Division.



**New PBPB Budget Format**  
The first thing you will notice about the new budget format is that departments have been aligned to show the **"Line of Business"** and **"Programs"** they offer rather than the organizational units that manage them.



## A New Way of Communicating for Results

A key element to performance management is providing both strategic and service delivery information in a clearer, more transparent way. Integration of the City's performance management system, through a Performance-based Program Budget, reflects a fundamental change in the way the City conducts business. Once fully developed, the performance management system and the Performance-based Program Budget will assist the City in communicating the value it provides to the community through the programs it offers.

### Chapter Overview

The Department of Parks, Recreation, and Marine is one of two City departments (Department of Community Development is the other) to have completed a draft of the Focus on Results (F.O.R.) Long Beach Full Strategic Business Plan. This budget chapter reflects key elements of Parks, Recreation, and Marine's Full Strategic Business Plan.

As part of this full strategic planning process, the Department identified, with input from community stakeholders and employees, significant issues to be confronted over the next two- to five- years. Strategic objectives have also been developed as part of this effort to help guide the department in addressing these issues. The Department of Parks, Recreation, and Marine has also developed its program structure and a full family of program performance measures, including outcome, efficiency, demand, and output measures. The program structure and performance measures serve as the basis for the City's performance-based program budget and will add clarity to the City's budget by aligning department program information (purpose statement and listing of services), budget allocations, and performance information, all at the program level.

Please note that while the Department of Parks, Recreation, and Marine has completed a draft of the full plan, a number of the key performance measures may not be fully developed. It will take time to fully develop and collect the performance measures. Performance measures are presented at this time without performance information.

#### Table of Contents

Service Delivery Environment	
Significant Issues	
Strategic Objectives	
Summary by Line of Business and Fund	
Community Recreation Line of Business Summary and Accomplishments	
Program Summaries	
Community Enrichment Line of Business Summary and Accomplishments	
Program Summaries	
Special Events and Filming Line of Business Summary and Accomplishments	
Program Summaries	
Maintenance Line of Business Summary and Accomplishments	
Program Summaries	
Marine Line of Business Summary and Accomplishments	
Program Summaries	
Planning and Development Line of Business Summary and Accomplishments	
Program Summaries	
Administration Line of Business Summary and Accomplishments	
Program Summary	
Summary by Character of Expense	
Personal Services	
Three Year Implementation - Financial Strategic Plan	
Key Contacts	

#### New PBPB Budget Format

The Chapter Overview provides a brief summary of the departments FOR efforts and a chapter Table of Contents for the various program and budgetary information furnished for each department.

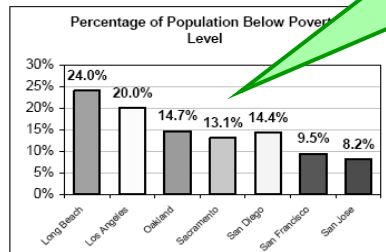
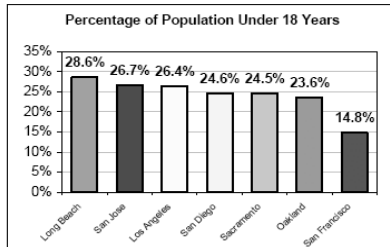
## Understanding the Needs of the Community

Before deciding which programs and services to provide, the City began by identifying the needs of the community. Understanding the service delivery environment helps to identify the current demands and related factors needed to develop responsive strategies. Each of the City programs are designed to address a specific need or set of needs in the community.

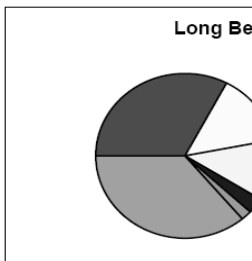
### Service Delivery Environment

Many factors influence the operations of the Department of Parks, Recreation and Marine. These factors are not unique to the City of Long Beach; however, when combined, they create a service delivery environment that presents formidable challenges. Four of the major factors influencing Department operations and strategic planning efforts are described below.

As seen in the chart below, Long Beach has the highest percentage of youth ages 18 years and younger compared to other large California cities. Additionally, as seen in the chart below, Long Beach has the highest percentage of residents living in poverty. Approximately one-third of these residents are youth. This information is derived from the U.S. Census Bureau's *American Community Survey (2003)*, available at <http://www.census.gov/acs/www/Products/Ranking/index.htm>



Long Beach is an ethnically diverse city, as indicated in the chart below (source: US Census, 2000). In fact, it is among the most ethnically diverse large cities in the nation. Accordingly, the Department of Parks, Recreation and Marine must strive to meet the leisure needs and interests of residents from many cultures and origins.



### New PBPB Budget Format

The Service Delivery Environment section details overarching demographic, economic and other critical information to provide a context for the programs offered by the City.

### Significant Issues

- Fifty percent (50%) of the parks facilities and 90% of marina and beach facilities are below acceptable or satisfactory industry or customer standards; which results in
  - Less customer satisfaction;
  - Increasing safety incidents;
  - Decreased service quality;
  - Potential building closures;
  - Less use and revenue generation; and
  - Negative customer perceptions of the City and the services it provides.

The Department is operating with insufficient monetary, staff and capital resources to address the performance expectations of competing operational and programmatic needs; results in

- The loss of recreational opportunities for our customers;
- The inability to maintain facilities at acceptable levels;
- The inability to assess community and customer needs; and
- Undermining of the quality of life in our neighborhoods.

The City has 5.7 acres of open space per 1,000 residents—lower than the City Council's adopted policy of 8 acres per 1,000 residents—and it is inequitably distributed throughout the City, requiring the Department to invest more in open space acquisition and management to equitably meet the City's approved Open Space Plan.

- The rapidly changing demographics of a growing and diverse community have challenged the Department's ability to meet community needs.

### New PBPB Budget Format

A brief section on Significant Issues looks at specific, high priority issues the department must address to be successful at achieving its mission. This section replaces the traditional "Challenges and Opportunities" section.

## A New Way of Setting Strategic Objectives

Identifying goals and objectives helps to align department efforts with Citywide goals and focuses departments on how to structure operations to meet those objectives. Goals must be clear and measurable to make informed decisions about the services the City offers.

Department Goals and Related Services		
Goal 1	Ensure open space, parks, and recreational facilities meet community needs <u>Service/Program</u> Grant Development & Administration Mini-Park Development Project Planning & Administration	<u>Strategic Plan Goal</u> E2
Goal 2	Ensure City parks and recreational facilities provide a positive experience and image <u>Service/Program</u> Custodial Maintenance/Parks Grounds Maintenance -- Parks and Athletic Fields Park Rangers -- Citywide and El Dorado Structural Maintenance/Parks	<u>Strategic Plan Goal</u> N4, S1
Goal 3	Ensure recreational programming, leisure opportunities, and community services meet the diverse needs and interests of residents <u>Service/Program</u> Adaptive Programs Aquatics -- Pools, Sailing & Boating Classes & Registration Community Outreach Recreation Cultural Programs Day Camps -- A El Dorado Reg Environmental Extended Day Facility Operati Facility Reserve Gang Preventio Historic Sites - Leases & Condo Senior Program Special Events Sports - Adult L Summer Food Volunteer Progr	<u>Strategic Plan Goal</u> N1, N3, N4, N6, Y1, Y5, Y8, Y9
Goal 4	Ensure beaches provide a positive experience <u>Service/Program</u>	

**Traditional Budget Format**  
Provides a summary of the department's goals and services related to the 2010 Strategic Plan priorities.

### Strategic Objectives

- **Improve Parks Infrastructure:** By 2009, the Department will increase the percentage of park grounds and buildings maintained in satisfactory or better condition by 10 percent consistent with available resources.
- **Improve Beaches and Waterways:** By 2009, the Department will achieve at least a 90 percent level of satisfaction with beach and waterway services, as indicated by the percentage of residents rating beach and waterway services as good to excellent.
- **Improve Marinas:** By 2009, the Department will achieve high levels of satisfaction with services, as indicated by at least a 95 percent occupancy rate for recreational slips and dock space.
- **Improve Recreational Opportunities:** By 2008, the Department will increase the number of recreation sites by 10 percent by expanding supervised operating hours and programming.
- **Improve Special Events and Filming Citizen Satisfaction:** By 2008, complaints from special events and filming will decrease by 10 percent per event/filming production day.

#### **New Budget PBPB Format**

Strategic Objectives create a set of clear priorities for the departments over the next 2-5 years and establish tangible, measurable objectives incorporating the 2010 Strategic Plan, City Council and other community needs.

## Measuring Accomplishments and Planning for Results

One of the objectives of FOR Long Beach is to have necessary information readily available to make sound business decisions. Providing performance and budgetary information according to departmental Lines of Business will help link related outcomes with programs and to the investment being made.

### Fiscal Year 2003 Strategic Plan Accomplishments

#### Community Safety

- To encourage youth away from gang involvement, Gang Intervention and Prevention staff have increased their presence at pools, youth sports games and teen centers. Gang Intervention and Prevention staff is actively involved in coordinating inter-agency meetings at high schools and middle schools. Increased youth activities, such as the new Sunday basketball league for transitional 9th graders, permanent art projects at skateparks, new programs at six middle schools, and programs in cooperation with the Boys and Girls Club of Long Beach are also in place.

#### Neighborhood Development

- On-line registration is now available for over 500 sessions of more than 200 different contract classes per quarter, and public use computers have been installed at eight sites.

- The Long Beach Unified School District joint facility planning for

- Cesar E. Chavez Park, which has been opened; upgrades to the park, 9 percent over the previous year. "Club on the Green" has been a recreational and other

- To increase understanding of regional, and neighborhood

- Key members of the community

- The Department actively seeks input from some of which fund additional

- The longbeachyouth.org website provides information on available

**Traditional Budget Format**  
Accomplishments were listed by relevant 2010 strategic plan categories.

### Community Recreation Line of Business

Program	Actual FY 04	Budget FY 05	Estimated FY 05	Percent of Budget	Proposed FY 06
<b>Aquatics</b>					
Expenditures	1,908,747	1,783,722	1,873,869	105%	1,796,009
Revenues	1,045,270	971,828	969,824	100%	1,079,116
FTEs	39.18	38.18	38.18	100%	38.17
<b>Youth and Teen</b>					
Expenditures	2,311,392	3,234,351	2,831,041	88%	1,980,606
Revenues	1,011,501	1,861,423	1,544,831	83%	866,936
FTEs	80.53	72.87	72.87	100%	65.82
<b>Seniors</b>					
Expenditures	834,836	820,963	845,487	103%	659,614
Revenues	101,314	95,430	97,044	102%	69,064
FTEs	13.05	16.43	16.43	100%	14.43
<b>Recreation Classes</b>					
Expenditures	1,000,775	1,036,306	970,445	94%	810,165
Revenues	787,672	777,980	751,102	97%	802,683
FTEs	6.79	6.79	6.79	100%	3.79
<b>Sports</b>					
Expenditures	1,440,645	1,257,857	1,249,594	99%	1,270,764
Revenues	686,817	726,319	640,238	88%	746,841
FTEs	48.62	31.83	31.83	100%	30.91
<b>Parks Management/Operations</b>					
Expenditures	5,231,721	5,553,380	5,284,308	95%	4,919,923
Revenues	271,629	666,498	458,694	69%	665,491
FTEs	73.29	91.68	91.68	100%	79.11
<b>Business TOTAL</b>					
TOTAL Expenditures	12,728,115	13,686,580	13,054,744	95%	11,437,080
TOTAL Revenues	3,904,204	5,099,479	4,461,733	87%	4,230,131
TOTAL FTEs	261.46	257.78	257.78	100%	232.23

Financial Expenditure and FTE information have been recast from the Bureau level to the Program level

**New PBPB Budget Format**  
In the new budget book format, Key Accomplishments are listed by **Line of Business** to show a direct link between programs and the outcomes provided.

**Purpose Statement:** To provide leisure opportunities and programs to the community, so they can enjoy recreation in a safe and accessible environment.

#### FY 05 Key Accomplishment:

- Successfully implemented the Equitable Resource Allocation Plan, which was the outcome of an intensive budget development exercise in FY 04. The plan has provided for the equitable distribution of resources at comparable recreation facilities, the establishment of standard hours of operation, consistency in staffing levels and equity in workloads for permanent staff. The notable benefits of the plan have been increased hours of supervision, with all parks being opened on Saturdays and consistency and equity in program delivery across the city.



## Establishing a “Results Contract” Between the City and the Community

In a Performance-based Program Budget, setting clear expectations about results and service levels established through the budget is a key element to evaluating performance. Rather than focusing budgetary information on the inputs required to deliver services, the new PBPB Budget Format focuses on the outcomes and results of key performance measures produced through each program with the service levels supported through the budget.

### Business Operations Bureau Summary

#### Services Provided:

General administrative support including payroll/personnel, training, accounting, and purchasing; budget management, revenue development, contract management, reservation and class registration services; community information and marketing of Department services and facilities.

#### Service Improvement Objectives:

To reduce the cost of services, programs and operation of the Department through expanding contracting, leasing, and alternative funding sources.  
To enhance employees' performance through continued development and communication of policies and increased training opportunities.  
To increase the number of facility reservations by offering clean facilities based upon customers' interest, as identified through Customer Satisfaction surveys and customer feedback.

NOTE: The Department's Executive Office budget information is included in this summary.

	Actual FY 02	Adopted FY 03	Adjusted FY 03	Estimated FY 03	Adopted FY 04
<b>Quantitative Measures of Service:</b>					
# of new agreements	40	45	45	45	50
# of renegotiated agreements	20	10	25	25	25
# of training sessions	18	24	28	28	24
# of media coverage items	11,287				

#### Expenditures:

Salaries, Wages and Benefits	4,387,700	2,387,700
Materials, Supplies and Services	1,094,893	894,893
Internal Support	907,184	707,184
Capital Purchases	-	-
Debt Service	-	-
Transfers From Other Funds	(11,074)	-
Prior Year Encumbrance	-	-
<b>Total Expenditures</b>	<b>6,388,702</b>	<b>3,888,702</b>

#### Revenues:

Property Taxes	-	-
Other Taxes	-	-
Licenses and Permits	149,400	149,400
Fines and Forfeitures	-	-
Use of Money & Property	2,770,000	2,570,000
Revenue from Other Agencies	-	-
Charges for Services	-	2,000,000
Other Revenues	-	-
Interfund Services - Charges	-	-
Intrafund Services - GP Charges	-	-
Harbor P/R Revenue Transfers	-	-
Other Financing Sources	-	-
Operating Transfers	-	-
<b>Total Revenues</b>	<b>2,919,400</b>	<b>2,719,400</b>

### Traditional Budget Format

Department operations were broken down by Bureau and financial information provided by “Character of Expense”.

### Aquatics Program

**Focus Area:** Leisure, Culture and Education

**Line of Business:** Community Recreation

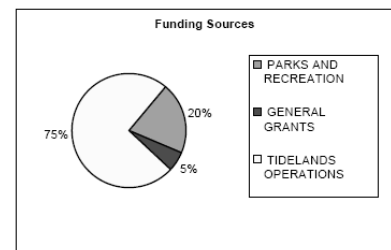
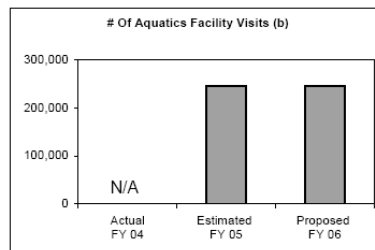
**Program Purpose Statement:** To provide structured and unstructured swim opportunities and water related sports activities and services to the community, so they can participate in safe and enjoyable recreation experiences.

**Key Services Provided:** Swimming Pool Rentals, Learn-to-Swim Lessons, Water Exercise Classes, Swim Sessions, Physical Fitness & Weight Training Workouts, Safety Classes, Aquatic Camps, Leeway Sailing Center Water Sports Classes, Leeway Clubs, Leeway Equipment Rentals, Leeway Sailing Events and Private Parties and Model Boat Shop

	Actual FY 04	Budget FY 05	Estimated FY 05	Percent of Budget	Proposed FY 06
<b>Aquatics</b>					
Expenditures	1,908,747	1,783,722	1,873,869	105%	1,796,009
Revenues	1,045,270	971,828	969,824	100%	1,079,116
FTEs	39.18	38.18	38.18	100%	38.17

	Actual FY 04	Budget FY 05	Estimated FY 05	Percent of Budget	Proposed FY 06
<b>Key Performance Measures</b>					
% Of Aquatics Participants who Rate Their Experience as Good to Excellent	(a)	(a)	(a)	0%	(a)
# Of Aquatics Facility Visits (b)	(a)	245,790	245,790	100%	245,790
Cost per Aquatics Facility Visit (b)	(a)	\$3.75	\$3.75	100%	(a)
# Of Aquatics Program Participation Requests	(a)	(a)	(a)	0%	(a)

(a) Tracking systems are being developed to capture this data going forward and/or data not available.  
(b) Belmont Pool only. Does not include maintenance costs and some administration costs.



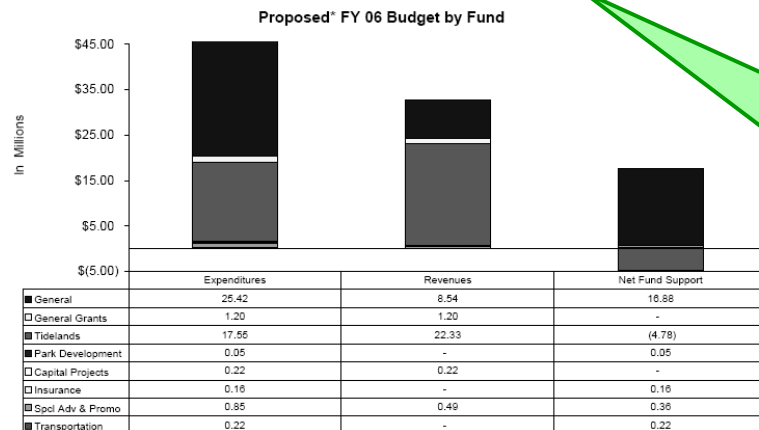
**New PBPB Budget Format**  
**Programs** are the focus in the new format, with details on Program Purpose and a clear “Results Contract” that will help decision makers evaluate the effectiveness of City services.

**FY 06 Budget Note:** Continue to provide programs and services that meet the diverse needs of the Long Beach aquatic community and to identify ways to achieve total cost recovery where feasible.

## Fulfilling Legal Requirements

According to the City Charter, the budget book must clearly articulate cost control thresholds by department and fund, as well as provide detailed information on staffing by classification. The new budget format will continue to provide this legally required information.

### Summary by Character of Expense



Similar to the traditional budget book, each department will end with a budget summary by "Character of Expense". This provides a more familiar perspective of revenues and expenditures for a particular department.

It should be noted that \$654,796 in costs for recreation programming is the Community Development Department and supported by Community Development.

### Personal Services

	Actual FY 04	Adopted FY 05
<b>Expenditures:</b>		
Salaries, Wages and Benefits	24,925,671	25,457,841
Materials, Supplies and Services	22,997,202	14,634,911
Internal Support	5,935,733	4,920,711
Capital Purchases	35,701	-
Debt Service	22,222	22,222
Transfers from Other Funds	(573,234)	(656,341)
Prior Year Encumbrance	-	-
<b>Total Expenditures</b>	<b>53,343,296</b>	<b>44,379,341</b>
<b>Revenues:</b>		
Property Taxes	-	-
Other Taxes	-	-
Licenses and Permits	509,094	369,441
Fines and Forfeitures	234,371	247,521
Use of Money & Property	24,993,297	25,883,441
Revenue from Other Agencies	2,052,629	1,638,941
Charges for Services	2,745,388	2,819,011
Other Revenues	270,252	172,711
Interfund Services - Charges	143,844	34,711
Intrafund Services - GP Charges	45,616	10,111
Harbor P/R Revenue Transfers	300	-
Other Financing Sources	-	-
Operating Transfers	67,707	74,001
<b>Total Revenues</b>	<b>31,062,496</b>	<b>31,250,011</b>
<b>Personnel (Full-time Equivalents)</b>	<b>568.52</b>	<b>522.1</b>

Consistent with the traditional layout, the new budget book will continue to provide comprehensive personnel information by department including Full Time Equivalent (FTE) staff positions and total costs for wages, salaries and benefits.

Classification	FY 04 Adopt FTE	FY 05 Adopt FTE	FY 06 Adopt FTE	FY 05 Adopted Budget	FY 06 Adopted Budget
<b>Subtotal Page 1</b>	<b>160.99</b>	<b>135.07</b>	<b>125.27</b>	<b>6,035,369</b>	<b>5,647,611</b>
Historical Curator	1.00	1.00	1.00	54,595	54,595
Maintenance Assistant I	24.00	13.00	13.00	381,254	387,562
Maintenance Assistant I – NC	3.02	6.02	5.16	149,128	133,933
Maintenance Assistant II	14.00	15.00	14.00	463,776	430,901
Maintenance Assistant II – NC	7.17	7.17	7.05	195,476	202,037
Maintenance Assistant III	21.00	16.00	15.00	558,235	535,791
Maintenance Assistant III – NC	4.00	4.00	4.00	117,454	123,392
Manager-Business Operations	1.00	1.00	1.00	104,239	96,639
Manager-Maintenance Operations	1.00	1.00	1.00	100,013	100,013
Manager-Marinas And Beaches	1.00	1.00	1.00	99,531	109,484
Manager-Planning and Development	1.00	1.00	1.00	92,503	92,503
Manager-Recreation Services	1.00	1.00	2.00	101,821	204,083
Manager-Special Events	1.00	1.00	1.00	100,892	100,892
Marina Agent I	3.00	3.00	3.00	93,045	94,497
Marina Agent II	8.00	8.00	8.00	273,289	269,645
Marina Agent III	5.00	5.00	5.00	201,822	202,150
Marina Supervisor	3.00	3.00	3.00	144,523	152,040
Marine Aide-NC	0.34	0.34	0.34	9,051	9,504
Musician – NC	2.17	2.17	2.17	159,612	159,612
Offset Press Operator I	0.88	0.88	0.88	33,827	33,827
Painter I	2.00	2.00	3.00	83,175	120,870
Painter II	1.00	1.00	1.00	45,819	45,819
Park Development Officer	1.00	1.00	1.00	77,281	77,281
Park Maintenance Supervisor	7.00	6.00	6.00	295,972	306,393
Park Maintenance Supervisor	6.40	6.40	5.52	259,538	227,716
Park Maintenance Supervisor	7.00	7.00	5.00	265,951	203,891
Park Maintenance Supervisor	6.72	6.72	4.45	274,481	181,762
Park Maintenance Supervisor	3.00	3.00	2.00	139,188	98,758
Payroll/Personnel Assistant I	0.74	0.74	0.74	25,620	25,620
Payroll/Personnel Assistant II	2.00	2.00	2.00	76,638	76,638
Payroll/Personnel Assistant III	1.00	1.00	1.00	41,415	41,415
Plumber	3.00	3.00	3.00	153,391	152,040
Power Equipment Repair Mechanic II	2.00	1.00	1.00	45,819	45,819
Recreation Assistant	20.00	19.87	19.87	704,152	701,145
Recreation Leader/Specialist IX	0.12	0.12	0.12	3,927	3,927
Recreation Leader/Specialist I – NC	1.54	1.73	1.18	25,618	17,473
Recreation Leader/Specialist II – NC	1.87	1.08	1.08	16,426	16,426
Recreation Leader/Specialist III – NC	85.67	91.55	85.12	1,582,701	1,471,589
Recreation Leader/Specialist IV – NC	10.19	2.69	2.69	52,056	52,056
Recreation Leader/Specialist V – NC	38.20	44.43	40.08	998,281	900,587
Recreation Leader/Specialist VI – NC	38.60	27.92	27.92	684,465	684,465
Recreation Leader/Specialist VII – NC	23.16	30.49	30.24	826,268	819,500
Recreation Leader/Specialist VIII – NC	5.45	3.99	3.75	120,393	113,151
Recreation Leader/Specialist IX – NC	0.68	0.05	0.05	1,573	1,573
Recreation Leader/Specialist X – NC	3.61	4.34	4.85	142,154	158,859
Secretary	5.00	5.00	6.00	194,595	237,948
<b>Subtotal Page 2</b>	<b>540.52</b>	<b>499.77</b>	<b>472.53</b>	<b>16,606,351</b>	<b>15,923,432</b>

## Focusing On Results on Multiple Levels

There is a very logical connection between the overarching strategic goals of the City and the work of each employee at a program level of the organization. These goals are carried out through each department and their Lines of Business. Each Line of Business comprises even more specific Programs. Each Program provides a "Results Contract" demonstrating how they will fulfill shared goals through the results they produce.

### Summary by Line of Business and Fund

#### FY 06 Budget by Line of Business

Line of Business	Actual FY 04	Budget FY 05*	Estimated FY 05	Percent of Budget	Proposed FY 06
<b>Community Recreation</b>					
Expenditures	12,728,115	13,686,580	13,054,744	95%	11,437,080
Revenues	3,904,204	5,099,479	4,461,733	87%	4,230,131
FTEs	261.46	257.78	257.78	100%	232.23
<b>Community Enrichment</b>					
Expenditures	4,477,546	4,463,576	4,262,305	95%	4,925,482
Revenues	1,053,647	791,141	804,300	102%	1,258,213
FTEs	63.20	62.02	62.02	100%	62.87
<b>Special Events and Filming</b>					
Expenditures	970,111				
Revenues	431,111				
FTEs	3.00				
<b>Maintenance</b>					
Expenditures	18,678,111				
Revenues	4,445,111				
FTEs	177.00				
<b>Marine</b>					
Expenditures	4,390,111				
Revenues	16,950,111				
FTEs	29.00				
<b>Planning and Development</b>					
Expenditures	8,646,111				
Revenues	647,111				
FTEs	4.00				
<b>Administration</b>					
Expenditures	3,400,111				
Revenues	3,400,111				
FTEs	3.00				
<b>Department TOTAL</b>					

One of the most significant changes presented by the new budget format is the Department Summary by **Line of Business** and Fund.

#### Community Recreation Line of Business

Program	Actual FY 04	Budget FY 05	Estimated FY 05	Percent of Budget	Proposed FY 06
<b>Aquatics</b>					
Expenditures	1,908,747	1,783,722	1,873,869	105%	1,796,009
Revenues	1,045,270	971,828	969,824	100%	1,079,116
FTEs	39.18	38.18	38.18	100%	38.17
<b>Youth and Teen</b>					
Expenditures	2,311,392	3,234,351	2,831,041	88%	1,980,606
Revenues	1,011,501	1,861,423	1,544,831	83%	966,936
FTEs	80.53	72.87	72.87	100%	65.82
<b>Senior</b>					
Expenditures	834,836	820,963	845,487	103%	659,614
Revenues	101,314	95,430	97,044	102%	69,064
FTEs	13.05	16.43	16.43	100%	14.43
<b>Instruction Classes</b>					
Expenditures					
Revenues					
FTEs					
<b>Department TOTAL</b>					

**Program** details with each **Line of Business** are also provided.

#### Aquatics Program

**Focus Area:** Leisure, Culture and Education **Line of Business:** Community Recreation

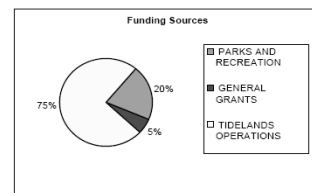
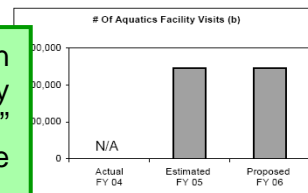
**Program Purpose Statement:** To provide structured and unstructured swim opportunities and water related sports activities and services to the community, so they can participate in safe and enjoyable recreation experiences.

**Key Services Provided:** Swimming Pool Rentals, Learn-to-Swim Lessons, Water Exercise Classes, Swim Sessions, Physical Fitness & Weight Training Workouts, Safety Classes, Aquatic Camps, Leeway Sailing Center Water Sports Classes, Leeway Clubs, Leeway Equipment Rentals, Leeway Sailing Events and Private Parties and Model Boat Shop

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FTEs	39.18	38.18	38.18	100%	38.17

Key Performance Measures	Actual FY 04	Budget FY 05	Estimated FY 05	Percent of Budget	Proposed FY 06
% Of Aquatics Participants who Rate Their Experience as Good to Excellent	(a)	(a)	(a)	0%	(a)
# Of Aquatics Facility Visits (b)	(a)	245,790	245,790	100%	245,790
Cost per Aquatics Facility Visit (b)	(a)	\$3.75	\$3.75	100%	(a)
# Of Aquatics Program Participation Requests	(a)	(a)	(a)	0%	(a)

(a) Tracking systems are being developed to capture this data going forward and/or data not available.  
(b) Belmont Pool only. Does not include maintenance costs and some administration costs.



Finally, each **Program** is broken down by Program Purpose, Key Services, the "Results Contract" and provides a key linkage to the Citywide Focus Area it supports.

**FY 06 Budget Note:** Continue to provide programs and services that meet the diverse needs of the Long Beach aquatic community and to identify ways to achieve total cost recovery where feasible.

## Updating the Financial Strategic Plan

*"We have made unprecedented progress since the Plan was first adopted, and remain fully committed to eliminating the City's structural deficit in a fair and balanced way. With the adoption of the FY 06 Budget, approximately \$92 million in structural budget solutions have been approved through the leadership of the Mayor and City Council."*

*- Gerald R. Miller, City Manager*

### Year Three - Financial Strategic Plan Implementation

DESCRIPTION	SERVICE IMPACT
Reduce Nature Center one additional day per week from 6 to 5 days per week (\$59,000)	Reduces public access to the Nature Center to five days per week. Will impact number of school visits and other educational programming
Eliminate the Discover Long Beach Parks program	Program was not implemented in FY 05, therefore there will be no service impact from this reduction in FY 06
Reduce the Intervention and Prevention program	Reduces Attitude Crew staff support for coordination of community clean-ups, graffiti removal and juvenile court-ordered referral
Reduce maintenance, materials and supply costs for youth and adult sports programs	Suspends funding for buses, limiting day camp field trips to local sites. Reduces materials and supplies for day camp programming. Reduces funding for utilities for adult sports programs
Suspend mobile skate park and mobile recreation programs by 25 percent (\$27,403)	Suspends hours of mobile recreation from 12 to 8 hours per weekend. Reduces weekend mobile skate park programming at 4 of 7 sites from two days to one day per weekend, depending on the day with the least service impact
Reduce recreation programs at school sites on Sundays (\$98,919)	Reduces drop-in weekend recreation at 14 school sites to Saturdays only
Restructure Teen Center activities to high demand sites (\$86,067)	Refocuses programming at teen centers to sites with higher teen participation.
Curtail funding for structural improvements at park facilities (\$80,000)	Staff's ability to make scheduled, or non-emergency, repairs and improvements to community centers and other park facilities will be further diminished. Remaining funding will be used almost exclusively to address safety and sanitation concerns
Restructure park ranger program to pre-FY 02 enhancement staffing levels (\$241,000)	Reduces park ranger presence citywide and at El Dorado Regional by 25 percent, reducing the ability to conduct park patrols
Eliminate North and Freeman Police Athletic League Programs (\$378,494)	Suspends recreation programming for 1,300 youth enrolled in PAL programs at the North and Freeman locations
El Dorado Regional Park and Nature Center Fee Increases (\$119,214)	No service impact - increase of the fees will allow for additional recovery of the estimated cost in providing these services
Recreational Services, Sports and Aquatics Fee Increases (\$42,042)	No service impact - increase of the fees will allow for additional recovery of the estimated cost in providing these services
Develop corporate Sponsorship for Municipal Band (\$350,000)	Should corporate sponsorships be secured there will be no anticipated service impact

As in the past two budgets, the Financial Strategic Plan solutions for the fiscal year are provided for each department with the anticipated service impacts, have been retained.



## **Fund Summaries**

The Budget includes spending from many different “funds” that are required to be reported by State or Federal law, the City Charter and/or proper accounting practice. A fund consists of a separate set of accounts used to monitor the accomplishment of specified purposes, or uses of restricted revenue. Depending on the type of service provided, department expenditures may be authorized from a number of funds. Most traditional City services are funded through the General Fund.

## **The Capital Improvement Program**

The Capital Improvement Program (CIP) represents expenditures for major construction infrastructure or repair of City facilities and buildings. A committee of department representatives meets during the year to select projects to be initiated, funding sources and the operating impacts on the General Fund. The CIP, as presented in this section, is adopted annually by the City Council as part of the budget process. A separate CIP document, the FY06 Adopted CIP, provides greater detail about ongoing and proposed CIP projects.

## **FINANCIAL INFORMATION**

### **Adjustments to the Budget**

During a fiscal year, special circumstances may result in changes to department spending priorities. Appropriations are made at the fund and department level and are authorized by City Council adoption of an Appropriations Ordinance. Budget adjustments that require a modification to the amounts authorized by the Appropriations Ordinance require the approval of the City Council. Transfers between programs or “characters of expense”, but not affecting any funds or department’s total appropriation, require City Manager approval.

### **Basis of Accounting\***

Governmental funds and expendable trust funds are maintained on the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes measurable and available. Expenditures are recognized in the period in which the liability is incurred, if measurable, except for unmatured principal and interest on general obligation debt, which is recognized when due.

*\*This information is taken from the Comprehensive Annual Financial Report (CAFR) of the City of Long Beach, California – September 30, 2004. For further information regarding the City’s accounting and debt management practices, please consult the CAFR.*

## **Accounting Basis of Budgeting**

The generally accepted accounting principles used as the basis to prepare this Budget are the same as those used to prepare the annual financial report with the following exceptions: (1) encumbrances are considered to be expenditures for budget purposes but are not included in financial reporting; and (2) land held for resale is recorded as an expenditure when purchased and a revenue when sold for budget purposes. For financial reporting purposes, land is held as an asset and a gain or loss is recognized at the time of sale.

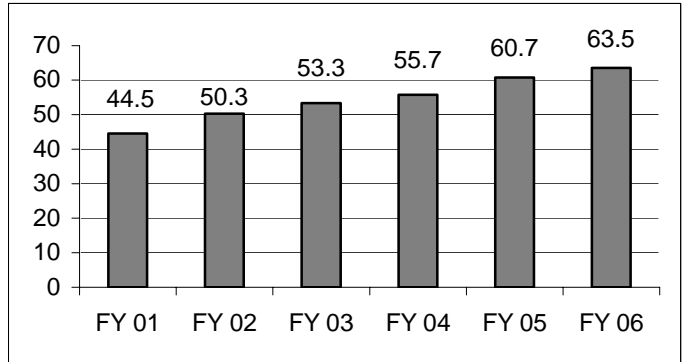
## **Investment Management**

This function's primary goal is safeguarding principal and ensuring liquidity levels necessary to pay for budgeted expenses while optimizing return on investment. The City maintains general bank accounts for daily business requirements, but the majority of the City's funds are held in an investment pool administered by the City Treasurer. As of September 30, 2005, the Treasurer's investment pool was approximately \$1.327 billion divided into short-term and long-term portfolios. To measure performance, the City uses two benchmarks: the 91-Treasury Bill benchmark for the short-term component and the Merrill Lynch 1-3 year Treasury/Agency Index for long-term component.

# General Fund Revenue

## PROPERTY TAXES

Approximately 17.7 percent or \$63.5 million of the City's General Fund revenue is derived from local property taxes, which includes secured real property tax and unsecured personal property tax, net of refunds. Property, primarily land and buildings, is valued by the County Assessor and taxed at 1 percent of assessed value. Cities and other local agencies, such as schools, special districts, and the County of Los Angeles, share in the countywide property tax pool. The City of Long Beach only receives approximately 21 percent of property taxes paid by City property owners. In addition, the City's Redevelopment Agency receives 100 percent of certain specified property tax revenues generated within the redevelopment project areas. Due to the economy's growth and affect on property values, FY 06 property tax estimates assume revenue increases above FY 05 receipts. Property in the State of California is generally reassessed only upon change of ownership.

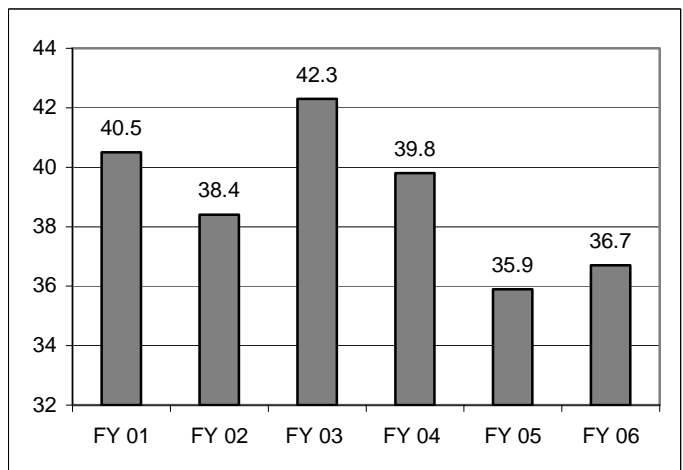


The continuing inability of the State of California to provide funding for State programs through its ongoing revenues has required that the State turn to local government for help. As a result, the City's property tax estimates reflect the cumulative loss of \$4.8 million in FY 93, an additional \$8.7 million in FY 94, another \$0.9 million loss in FY 95 plus \$0.9 million in FY 95/FY 96 as a retroactive assessment, and \$0.3 million in FY 98. This \$15.6 million cumulative loss of property tax revenue is ongoing. To date losses equal approximately \$174 million.

Property tax is a major source of revenue for critical City services such as police, fire, public works, recreation, and library services. Prior to the passage of Proposition 13 in 1978, property tax revenues accounted for approximately 28 percent of all General Fund revenues as compared to 16 percent now. Other revenues have been used to augment the decrease in this revenue source.

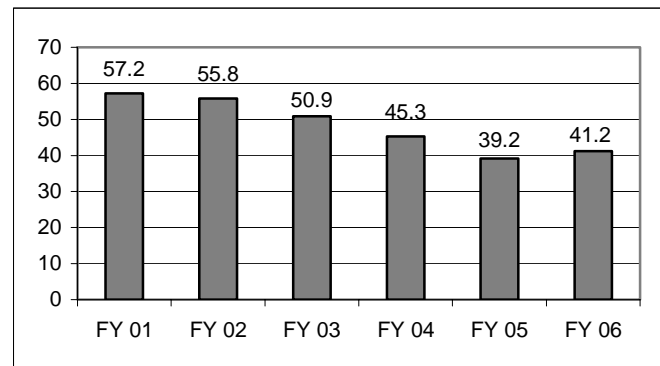
## SALES TAX

Sales tax receipts are expected to account for \$36.7 million, or 10.2 percent of all General Fund revenues for FY 06. All taxable retail sales in Long Beach are charged an 8.25 percent tax. This amount includes 1.25 percent that goes to the County of Los Angeles, and 6.25 percent that is retained by the State. Only 0.75 percent is returned to the City by the State. Sales tax revenue varies from year-to-year due to fluctuations in the economy. The City must continue to promote economic development in order to bring sales tax revenues to a level comparable to other cities in Los Angeles County.



## UTILITY USERS TAXES

The City applies a utility users tax to customer's electricity, gas, telephone, and water bills. These four revenue sources account for \$41.1 million or 11.2 percent of the City's General Fund revenues. A voter-approved initiative reduced the utility user tax rate from 10 percent to 5 percent over a five-year period. The rate for FY 06 is 5 percent, effective October 1, 2004. These taxes do not apply to low-income senior citizens who are over 62 years of age or disabled low-income individuals.



## OTHER TAXES

The City receives revenue from the Transient Occupancy Tax assessed on guests of all City hotels and motels, and from the Business License Tax assessed on all those doing business in Long Beach. Both taxes have rebounded from earlier slumps related to the general economic recession and September 11, 2001.

## LICENSES AND PERMITS

This revenue comes to the City from a variety of licenses and permits. The largest revenue is generated by sale of building permits, building plan check fees, emergency ambulance fees and dog licenses.

## FINES, FORFEITURES AND PENALTIES

Revenue is received by the City in this category primarily from vehicle code fines and parking citations.

## REVENUE FROM USE OF MONEY AND PROPERTY

The City is able to generate income from its current assets. This includes interest earned on investments, land and facility rental, and parking meter revenue within the City. Interest earnings have been negatively affected by the decrease in interest rates.

## REVENUE FROM OTHER AGENCIES

The General Fund receives revenue from other cities, the County of Los Angeles and the State. Revenue is received for the maintenance of traffic signals and parking meters under contract with smaller cities neighboring Long Beach, as well as unincorporated parts of Los Angeles County. The State provides funding through the Motor Vehicle In Lieu Tax. Other miscellaneous State funds are provided for maintenance of State highways, fire and peace officer training, and police extradition reimbursements. The budget reflects legislative action enacted that shifted all Cigarette Tax revenues to the State's General Fund. Due to Proposition 57, the State has "flipped" 0.25 percent of Sales and Use Tax for an equal amount of ERAF Property Tax to help fund the State's Economic Recovery Bonds. The replacement property tax will be titled "In Lieu Sale and Use Tax" and will be received on a semi-annual basis.

## **OTHER CHARGES AND REVENUES**

These miscellaneous charges include library fines and fees, police reports and sale of used equipment and vehicles.

## **INTER- AND INTRA-FUND CHARGES**

Programs within the City that are funded by sources other than the General Fund often receive services from General Fund supported departments. This category includes reimbursement for these services.

## **TRANSFERS FROM OTHER FUNDS**

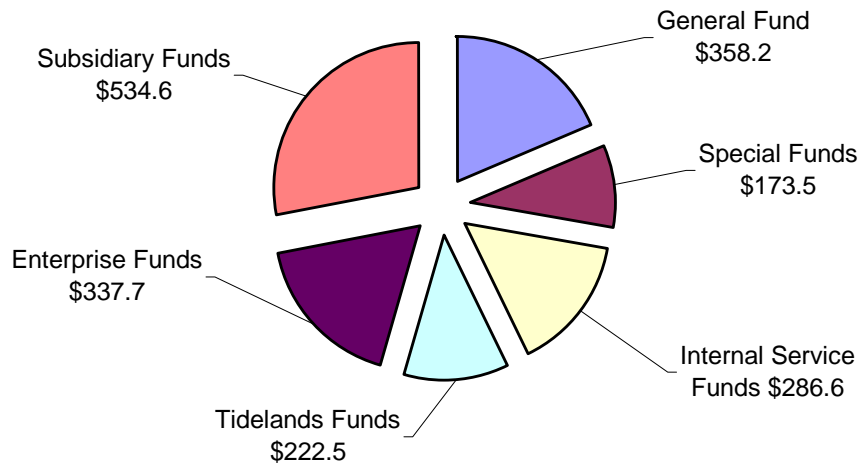
This category includes transfers, in lieu of property tax, to the General Fund from City enterprise and utility operations.

## **"GANN" APPROPRIATIONS LIMIT**

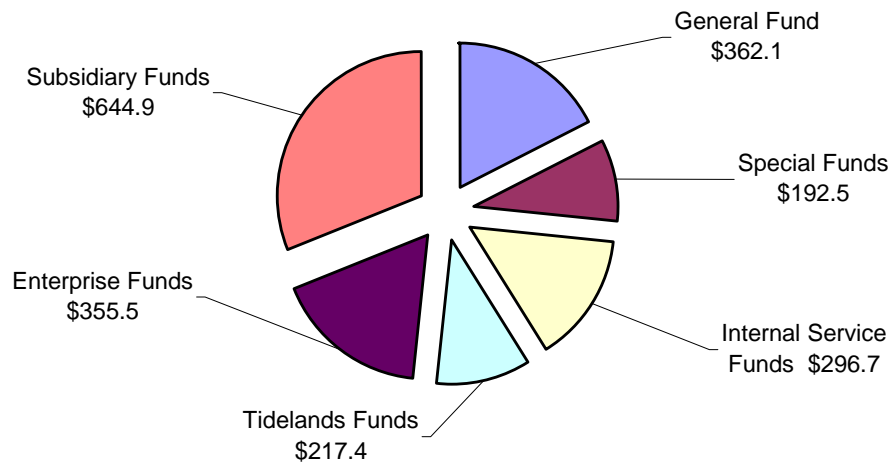
In November 1979, the voters of the State of California approved Proposition 4, commonly known as the "Gann Initiative." The Proposition created Article XIII B of the State Constitution, placing certain limits on the amount of revenue that can be appropriated each fiscal year. The limit is based on actual appropriations during FY 79. Only those revenues that are considered "proceeds of taxes" are subject to the limit. The limit is recalculated each fiscal year based on certain inflation and population factors. Proceeds of taxes are, however, allowed to be spent on several types of appropriations that do not count against the limit, including voter approved debt, the costs of complying with court orders and federal mandates, and expenditures for qualified capital outlays.

The "Gann" Appropriations Limit for the City of Long Beach for FY 06 is \$497,686,770. The total revenue, or proceeds of taxes, subject to the limit after removing allowable exclusions is \$193,466,394, or 38.9 percent of the Gann Limit. In FY 05, the limit was \$468,738,590.

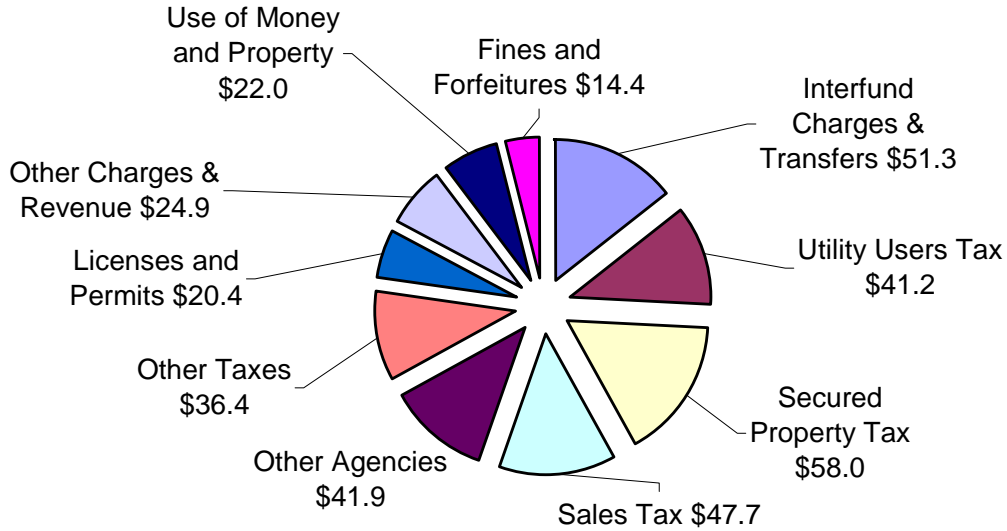
**FY 06 Adopted Revenues**  
**All Funds (in millions)**  
**(Total = \$1,913.3 million)**



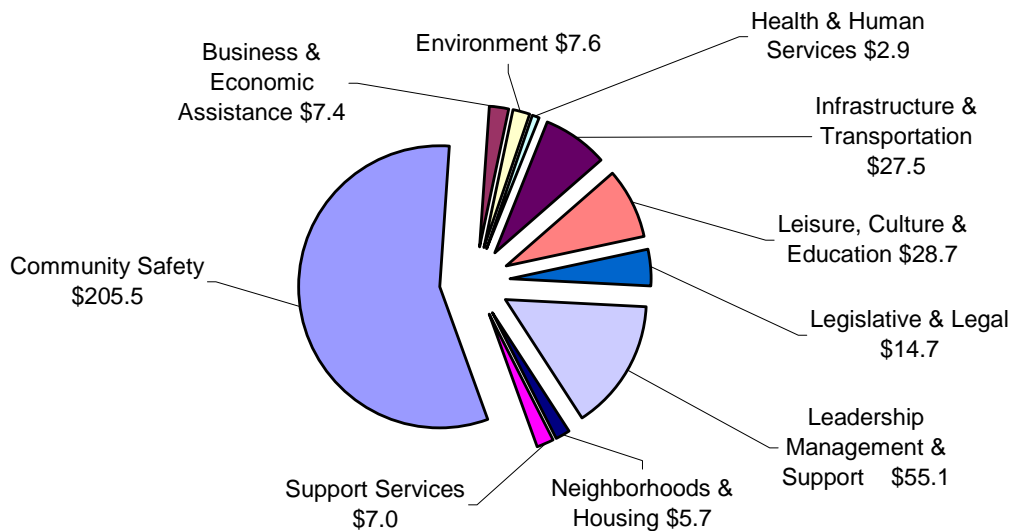
**FY 06 Adopted Expenditures**  
**All Funds (in millions)**  
**(Total = \$2,069.1 million)**



**FY 06 Adopted Resources  
General Fund  
(Total = \$358.2 million)**



**FY 06 Adopted Expenditures by  
Focus Area General Fund (in millions)  
(Total = \$362.1 million)**



# Debt Management

## DEBT MANAGEMENT

The Financial Management Department, Treasury Bureau, is responsible for issuing debt on behalf of City departments, City agencies, assessment districts, community facilities districts and other qualified entities. Typical debt structures include revenue bonds, lease revenue bonds, land based financings and notes. Debt may be issued with fixed or variable rate interest structures. Approximately \$2.0 billion in debt will be outstanding as of September 30, 2005.

Central to debt management is ensuring the City's compliance with Federal, State and local regulations. Other duties of this function include trustee services, preparation of Securities and Exchange Commission and Internal Revenue Service reports, determining annual assessment levies and approving the distribution of bond proceeds.

## SUMMARY OF THE CITY AND RELATED AGENCIES OUTSTANDING DEBT

The tables below summarize the City's outstanding debt, including final maturities, original par amounts and amounts outstanding. All information is presented as of September 30, 2004.

Revenue Bonds			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 1993 Belmont Shore Parking Meter Revenue Bonds	2012	2,220,000	1,310,000
Series 1993 Gas Utility Revenue Bonds	2013	13,490,000	8,215,000
Series 1994 Marina Subordinate Revenue Bonds	2009	1,310,000	575,000
Series 1995 Marina Refunding Revenue Bonds	2008	31,725,000	12,280,000
Series 1995 Harbor Revenue Bonds	2025	343,420,000	301,055,000
Series 1997A Water Revenue Bonds	2024	46,945,000	36,940,000
Series 1998A Harbor Revenue Bonds	2019	206,330,000	171,240,000
Series 2000A Harbor Revenue Bonds	2025	275,000,000	262,245,000
Series 2002A&B Harbor Revenue Bonds	2027	300,000,000	288,480,000
Series 2004A&B Harbor Revenue Refunding Bonds	2018	\$113,410,000	\$113,410,000

Lease Revenue Bonds			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 1997A Lease Revenue Refunding (Civic Center Project)	2027	\$43,655,000	\$39,165,000
Series 1998A & B Lease Revenue and Refunding Bonds (Temple & Willow Facility)	2027	38,065,000	34,785,000
Series 1999A Lease Revenue Bonds (Rainbow Harbor Refinancing Project)	2024	47,970,000	47,735,000
Series 1999 Variable Rate Demand Lease Revenue Bonds (Long Beach Museum of Art)	2009	3,060,000	3,060,000
Series 2001 Lease Revenue Bonds (Plaza Parking Facilities)	2027	11,500,000	11,260,000
Series 2001 Lease Revenue Refunding Bonds (Aquarium)	2030	129,520,000	129,520,000
Series 2002 Long Beach Bond Finance Authority (LBBFA) Lease Revenue Bonds (Public Safety Facilities)	2031	40,915,000	40,915,000



# Debt Management

Lease Revenue Bonds (continued)			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 2003A (Non-AMT) & B (AMT) Southeast Resource Recovery Facility <sup>(1)</sup> Authority Lease Revenue Bonds	2018	\$120,235,000	\$120,235,000
2003A (Non-AMT)	2018	89,025,000	89,025,000
2003B (AMT)	2018	31,210,000	31,210,000
Series 2003 Long Beach Bond Finance Authority (LBBFA)	2029	6,890,000	6,630,000
<sup>(1)</sup> Series 2003A & B Southeast Resource Recovery Facility Authority Lease Revenue Bonds defeased the Series 1995 Lease Revenue Refunding Bonds (Southeast Resource Recovery Facility)			

Tax Allocation Revenue Bonds			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 1992A Downtown Project Refunding Bonds	2017	\$81,020,000	\$38,520,000
Series 1992 West Long Beach Indust. Tax Allocation Rev. Bonds	2017	36,470,000	17,345,000
Series 2002A Long Beach Bond Finance Authority (LBBFA) <sup>(1)</sup> Tax Allocation Revenue Bonds	2031	77,715,000	73,830,000
(Downtown Redevelopment Project Area)	2024	\$26,820,000	\$25,305,000
(North Long Beach Redevelopment Project Area)	2031	40,290,000	39,020,000
(Poly High Redevelopment Project Area)	2012	1,710,000	1,415,000
(West Beach Redevelopment Project Area)	2018	8,895,000	8,090,000
Series 2002B Long Beach Bond Finance Authority (LBBFA) <sup>(2)</sup> Tax Allocation Revenue Bonds	2024	47,780,000	45,000,000
(Downtown Redevelopment Project Area)	2022	25,920,000	24,225,000
(West Long Beach Industrial Redevelopment Project Area)	2024	21,860,000	20,775,000
<sup>(1)</sup> Maturity date revised at partial defeasement of 1992 bonds by the Series 2002B LBBFA Tax Allocation Revenue Bonds.			
<sup>(2)</sup> Series 2002B LBBFA Tax Allocation Revenue Bonds issued December 2002 partially defeased the Series 1992 West Long Beach Industrial Tax Allocation Revenue Bonds and the Series 1992A Downtown Project Refunding Bonds. As of December 2002, amount outstanding for series 1992 West Long Beach Industrial Tax Allocation Project Revenue Bonds was \$18,125,000 and for Series 1992A Downtown Project Refunding Bonds, the amount outstanding was \$39,925,000.			

Pension Obligation Bonds			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 1995 Pension Obligation Refunding Bonds	2011	\$108,635,000	\$20,095,000
Series 2002A&B Pension Obligation Bonds Refunding Taxable Bonds (Auction Rate Securities)	2021	87,950,000	82,100,000

Certificates of Participation			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 1993 Airport	2016	\$16,815,000	\$11,420,000
Series 1997 Queensway Bay Parking Facility	2017	5,855,000	4,565,000

Source: City of Long Beach – Comprehensive Annual Financial Report

City of Long Beach  
Computation of Legal Debt Margin  
September 30, 2004  
(In Thousands)

Net Assessed Valuation		\$ 28,830,028
Plus Exempt Property		<u>783,201</u>
Total Assessed Valuation (1)		<u><u>\$ 29,613,229</u></u>
Debt Limit - 15 Percent of Total Assessed Valuation (1)		\$ 4,441,984
Amount of Debt Applicable to Debt Limit:		
Redevelopment Bonded Debt	\$ 175,292	
Less:		
Assets in Redevelopment Debt Service Fund, Available for Payment of Principal	<u>26,258</u>	
Total Amount of Debt Applicable to Debt Limit		<u>149,034</u>
Legal Debt Margin (1)		<u><u>\$ 4,292,951</u></u>

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Note:

- (1) The fiscal year 2004 debt limit is based on assessed valuation and reflects valuation for the property in redevelopment project areas.

Source: City of Long Beach, Department of Financial Management.  
"SV-13 G Report FY 03-04 Assessed Valuations" compiled under the supervision of the  
Los Angeles County Auditor-Controller.

